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## Congress of the United States House of Representatives

SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY
548 Cannon House Office Building
Washington, D.C. 20515

May 2, 2023

(202) 225-6002

Mr. John Donahoe President, and Chief Executive Officer Nike, Inc.

One Bowerman Drive Beaverton, OR 97005

Dear Mr. Donahoe,

On March 23, 2023, the House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party (CCP) held a hearing entitled, "The Chinese Communist Party's Ongoing Uyghur Genocide." At the hearing, we heard first-hand witness accounts about the CCP's concentration camps and expert testimony regarding the perpetration of genocide. We also received written testimony in which an expert assessed that "American companies are financing the state-sponsored forced labor programs in the Uyghur Region." We seek additional information regarding this matter.

The U.S. Department of State has determined that the CCP is committing genocide against Uyghurs and other minority groups in Xinjiang.<sup>2</sup> In response to the CCP's atrocities, Congress passed the Uyghur Forced Labor Prevention Act (UFLPA) with bipartisan support. On December 23, 2021, the UFLPA was signed into law. The UFLPA prohibits the "importation of any goods made with forced labor, including those goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region."<sup>3</sup>

We received expert testimony which revealed that products made by Uyghurs in forced labor camps are still entering the United States.<sup>4</sup> One expert told the Select Committee that Nike is "sourcing garments made not only from cotton from the Uyghur Region but also viscose, lyocell, polyester, leather, and linen from the region." Continuing to import goods produced in part with

<sup>&</sup>lt;sup>1</sup> The Chinese Communist Party's Ongoing Uyghur Genocide: Hearing before the Select Comm. on Strategic Competition between the U.S. and CCP, 118 Cong. (Mar. 23, 2023) (Written Testimony of Nury Turkel) ("CCP's Uyghur Genocide Hearing").

<sup>&</sup>lt;sup>2</sup> Edward Wong & Chris Buckley, U.S. Says China's Repression of Uighurs Is 'Genocide', N.Y. TIMES (July 27, 2021).

<sup>&</sup>lt;sup>3</sup> Uyghur Forced Labor Prevention Act, H.R. 6256, 116<sup>th</sup> Cong. (2021).

<sup>&</sup>lt;sup>4</sup> CCP's Uyghur Genocide Hearing (Written Testimony of Nury Turkel).

<sup>&</sup>lt;sup>5</sup> *Id*; According to a Sheffield Hallam University study, Nike is at high risk of having Xinjiang cotton in its supply chain due to its relationship with international intermediary manufacturers and Chinese textile companies sourcing

the forced labor of Uyghurs potentially violates the UFLPA and creates the conditions in which the CCP is able to continue committing genocide.

We would like to offer Nike an opportunity to respond to these serious allegations and to provide information regarding its compliance with the UFLPA. We therefore request that you respond to the following questions by May 16, 2023:

- 1. Do any garments imported into the United States by Nike contain inputs sourced from Xinjiang and/or inputs made with forced labor of Uyghurs?
- 2. Please provide a detailed description of the steps Nike has taken since the UFLPA took effect to examine its supply chains with respect to forced labor risk in the manufacture of its products. How do these steps differ, if at all, from the methods utilized before the UFLPA took effect?
- 3. Please provide a detailed description of the steps Nike has taken since the UFLPA took effect to ensure garments it sells that are made from cotton, viscose, lyocell, polyester, leather, and linen are not manufactured using forced labor by Uyghurs or other minority groups who are subjugated by the CCP.
- 4. Please provide a detailed description of the steps Nike has taken to examine its other supply chains to ensure that other products it sells are not produced by forced labor undertaken by Uyghurs or other minority groups who are subjugated by the CCP.
- 5. Do any of Nike's garment suppliers use fabric and/or yarn from any of the following corporations (including their subsidiaries): Jiangsu Lianfa Group, Luthai Textile, Huafu Fashion, Texhong Textile, or Weiqiao Textile?
- 6. Is fabric and/or yarn made by any of the corporations referenced above used in the production of Nike clothing sold in the United States? If so, please list each corporation whose fabric and/or yarn is used in the manufacture of Nike clothing sold in the United States.
- 7. If fabric and/or yarn from one of the corporations referenced above is used in the production of Nike clothing sold in the United States, what specific steps does Nike take to ensure that none of this material is made in, or contains cotton from, Xinjiang?
- 8. Has Nike contractually obligated all its garment suppliers to ensure that no inputs from Xinjiang are used in the manufacture of its clothes sold in the United States? Please provide all relevant documents to support such obligations.

cotton and employing state-sponsored labor transfers from the Uyghur Region. Most of the Chinese textile companies identified in the study have subsidiaries in Xinjiang that have employed state-sponsored labor transfers. See, Laura T. Murphy et al., Laundering Cotton: How Xinjiang Cotton Is Obscured in International Supply Chains, SHEFFIELD HALLAM UNIVERSITY (Nov. 2021).

- 9. What specific methods, other than mere written or verbal assurance from a garment supplier, does Nike use to verify that the supplier is not using inputs from Xinjiang?
- 10. What audit methods does Nike use to verify that suppliers in China—in and outside of Xinjiang—are not exploiting Uyghurs through state-sponsored labor transfers, given that workers in China cannot speak to auditors about forced labor without fear of government retaliation? Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents that describe, govern, implement, or report conduct, processes, or results (without regard to the title of a given document) that are relevant to the conduct of such audits, as well as copies of any communications pertaining to any incident involving actual, alleged, or anticipated noncompliance with the UFLPA.
- 11. Has Nike conclusively identified every supplier of fabric, cotton, and yarn in its global supply chain for products sold in the United States? If yes, please provide documents and evidence to substantiate Nike's conclusive identification of such fabric, cotton, and yarn suppliers, including any documents evidencing Nike's methodology with respect to this determination. If not, please provide a detailed explanation of how Nike assesses whether its clothing imports comply with the UFLPA, including any documents describing Nike's methodology with respect to such assessments.
- 12. Does Nike allow cotton and/or other inputs produced in Xinjiang to be used in the manufacture of Nike clothing sold in markets *outside* of North America?
- 13. In 2020, reporting revealed that hundreds of Uyghur laborers worked in a factory that manufactures 8 million pairs of Nikes each year. Nike claims to have verified that this factory—owned by a leading Nike Supplier, TKG Taekwang—no longer uses Uyghur forced labor. Given its track record of using forced labor, how did Nike verify that TKG Taekwang no longer uses forced labor? And why does Nike still consider TKG Taekwang to be a suitable business partner?
- 14. Please provide a detailed description of the steps Nike is taking to examine and monitor its supply chains on an ongoing basis. Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents (without regard to the title of a given document) that describe, govern, implement, or report conduct, processes, or results relevant to the conduct of such examination and monitoring.
- 15. Please provide a detailed description of your audit and compliance plan(s), and the steps taken thus far to implement controls to ensure that Nike products are not produced by forced labor and that all Nike products are obtained and sold in compliance with the requirements of the UFLPA. Please provide all policies, guidelines, requirements, reviews, assessments, analyses, audits, PowerPoint or other presentations, or other documents (without regard to the title of a given document) that describe, govern,

<sup>&</sup>lt;sup>6</sup> Anna Fifield, China compels Uighurs to work in shoe factory that supplies Nike, WASH. POST (Feb. 29, 2020).

implement, or report conduct, processes, or results relevant to Nike's audit and compliance plan(s).

The House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party has broad authority to "investigate and submit policy recommendations on the status of the Chinese Communist Party's economic, technological, and security progress and its competition with the United States" under H. Res. 11. Upon your receipt of this letter, please maintain and preserve all hard copy and electronic documents, including electronic communications, related to the subject matter of these questions.

To make arrangements to deliver a response, please contact Select Committee majority and minority staff at (202) 226-9678 and (202) 225-2489, respectively.

Thank you for your attention to this important matter and prompt reply.

Sincerely,

Mike Gallagher Chairman Raja Krishnamoorthi Ranking Member